

**General Assembly**Distr.: General
31 October 2011

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Sixty-sixth session

Agenda items 36 and 37

The situation in the Middle East**Question of Palestine****Letter dated 26 October 2011 from the Permanent Observer of
Palestine to the United Nations addressed to the Secretary-General**

In follow-up of my letter, dated 10 August 2011, contained in document A/65/929-S/2011/513, regarding the very serious issue of the continued destruction of Ma'man Allah (Mamilla) Cemetery in Jerusalem by the Israeli Government, I have the honour to transmit a statement issued on 20 October 2011 by the Center for Constitutional Rights, entitled "Archaeologists Worldwide Urge Halt to 'Museum of Tolerance' Construction on Ancient Muslim Cemetery" (see annex).

I kindly request that the text of the present letter and its annex be circulated as a document of the General Assembly, under agenda items 36 and 37.

(Signed) Riyad **Mansour**
Ambassador, Permanent Observer



**Annex to the letter dated 26 October 2011 from the Permanent
Observer of Palestine to the United Nations addressed to the
Secretary-General**



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**Archaeologists Worldwide Urge Halt to
“Museum of Tolerance” Construction on
Ancient Muslim Cemetery**

**Leading Archaeologists Appeal to Simon Wiesenthal Center Board, Mayor
of Jerusalem, and Head of Israeli Antiquities Authority to Halt Destruction
of Mamilla**

October 20, 2011, New York; Jerusalem – In a letter submitted today, 82 leading archaeologists worldwide, with support from the Center for Constitutional Rights (CCR) and the Campaign to Preserve Mamilla Jerusalem Cemetery, urged Board Members of the Simon Wiesenthal Center, the mayor of Jerusalem, Mr. Nir Barkat, and the Head of the Israeli Antiquities Authority (IAA) to immediately halt current and future construction of the “Museum of Tolerance” on the site of Mamilla, a historically renowned Muslim cemetery. This plea comes as the Israeli architects commissioned to build the museum are threatening to resign from the project, as did Frank Gehry before them. The appeal is added to those of a growing number of cultural preservation and rights groups who have vocally opposed the project since 2010. Over this time, CCR has acted as legal counsel in appeals to the UN High Commissioner for Human Rights, the UN Special Rapporteurs on Religion and Racial Discrimination, the Independent Expert on Cultural Rights, and the UN Educational, Scientific, and Cultural Organization (UNESCO) to halt construction of the museum.

In their letter the archaeologists cite international ethics rules, as well as Israeli laws that were circumvented during the excavation of the Mamilla cemetery with the discovery of hundreds of Muslim burials, such as the 1978 Antiquities Act, which prohibits excavation in areas known to be burial sites, and 1994 regulations mandating that human remains be turned over to the Ministry of Religious Affairs for reburial. IAA policy also requires thorough recording of burial excavations, and the IAA has guidelines for the treatment of human remains.



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Question of Palestine

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I kindly request that the text of the present letter and its annex be circulated as a document of the General Assembly, under agenda items 36 and 37.

(Signed) **Riyad Mansour**
Ambassador, Permanent Observer

* Reissued for technical reasons on 14 November 2011.



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Archaeologists Worldwide Urge Halt to “Museum of Tolerance” Construction on Ancient Muslim Cemetery

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In their letter the archaeologists cite international ethics rules, as well as Israeli laws that were circumvented during the excavation of the Mamilla cemetery with the discovery of hundreds of Muslim burials, such as the 1978 Antiquities Act, which prohibits excavation in areas known to be burial sites, and 1994 regulations mandating that human remains be turned over to the Ministry of Religious Affairs for reburial. IAA policy also requires thorough recording of burial excavations, and the IAA has guidelines for the treatment of human remains.

In addition, the letter details an affidavit from the museum site’s IAA Chief Excavator, Gideon Suleimani, which states “[S]ignificant archaeological transgressions that go to the heart of ethical issues in the archaeology profession took place on the Museum site. ...SWC knew that the site was full of human remains[;] SWC hurried the excavations, resulting in poor archaeological practices[;] SWC and the IAA misrepresented the extent of human remains present on the site and the status of the excavations to the Israeli Supreme Court[; and] the treatment of the Muslim burial site would not have occurred with a Jewish burial site.”

Said Tel Aviv University archaeologist Raphael Greenberg, "The case of Mamilla is a travesty of archaeological ethics. Mamilla Cemetery should be preserved as a demonstration of respect for Jerusalem's shared heritage." Said Yale University archaeology Professor Harvey Weiss, "The bulldozing of historic cemeteries is the ultimate act of territorial aggrandizement: the erasure of prior residents. Desecration of Jerusalem's Mamilla cemetery is a continuing cultural and historical tragedy."

The archaeologists conclude with a final appeal: in the same manner that SWC has demanded respect for Jewish cemeteries all over the world and urged their preservation, action must be taken now to halt the destruction of the Mamilla cemetery. This is an important archaeological and cultural site and its preservation would exemplify the very commitment to tolerance and human dignity the "Museum of Tolerance" is meant to promote. To honor this commitment, the addressees ought to ensure a definite halt to construction on this cultural heritage site and respect it as an integral part of the Jewish, Christian and Muslim history of the Holy Land.

CCR Senior Staff Attorney Maria LaHood stated, "The Mamilla cemetery case signifies disregard for Palestinian cultural heritage, holy sites and human rights, just like the more recent vandalism and desecration of Muslim and Christian cemeteries in Jaffa and in northern Israel. Israeli President Shimon Peres said that those acts of desecration were 'contrary to the moral values of Israeli society'. According to the most recent reports, this wave of vandalism has now hit Mamilla, where 15 headstones were defaced and damaged a few days ago. Yet Israel remains silent about the shocking treatment of Mamilla cemetery and the thousands of human remains uncovered there."

The letter with the signatories is available here. Signatories to the letter include noted archaeologists from around the world such as Graeme Barker and J. Nicholas Postgate of Cambridge University, Susan E. Alcock of Brown University, Harvey Weiss of Yale University, Raphael Greenberg of Tel Aviv University and McGuire Gibson of the University of Chicago.

For more information on the Petition to halt the destruction of the Mamilla Cemetery in Jerusalem, visit [CCR's case page](#) and the [Mamilla Campaign website](#).

The Center for Constitutional Rights is dedicated to advancing and protecting the rights guaranteed by the United States Constitution and the Universal Declaration of Human Rights. Founded in 1966 by attorneys who represented civil rights movements in the South, CCR is a non-profit legal and educational organization committed to the creative use of law as a positive force for social change.

**General Assembly**

Distr.: General
1 November 2011
English
Original: Spanish

Sixty-sixth session**Agenda item 41****Necessity of ending the economic, commercial and financial
embargo imposed by the United States of America against Cuba****Letter dated 27 October 2011 from the Permanent Representative
of Cuba to the United Nations addressed to the Secretary-General**

I have the honour to attach the Final Declaration of the VIIIth Forum of Cuban Civil Society against the Embargo, adopted in Havana on 19 October 2011 (see annex).

I should be grateful if you would arrange for this Declaration to be circulated as a document of the General Assembly under agenda item 41.

(Signed) Pedro Núñez Mosquera

Ambassador

Permanent Representative of Cuba to the United Nations



Annex to the letter dated 27 October 2011 from the Permanent Representative of Cuba to the United Nations addressed to the Secretary-General

Final Declaration of the VIIIth Forum of Cuban Civil Society against the Embargo, issued in Havana on 19 October 2011

On the occasion of the forthcoming consideration by the General Assembly of the implementation of its resolution 65/6 entitled "Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba", 173 Cuban civil society organizations and regional and international organizations with headquarters in Cuba met to discuss the effects on the Cuban people of the continuation and intensification of this genocidal policy.

1. The extraterritorial reach of the embargo has continued to expand. There is increased persecution and imposition of sanctions on citizens and businesses of third countries which maintain or intend to establish commercial, financial, cooperation or scientific and technical relations with Cuba. This is illustrated by the examples given in the report submitted by the Cuban Government to the General Assembly. In addition to complicating or preventing trading by Cuba and obstructing our country's economic and social development, these actions are actually endangering the lives of our citizens by affecting access to medicines and medical equipment and are a flagrant violation of the principles underlying international trade and a violation of the sovereignty of third States.

2. As regards new information and communication technology, Cuba has been prevented from using fibre optic cables laid near its coastline and has to use satellite communications, involving huge additional foreign currency expenditure for the Cuban State and limiting the bandwidth available to Cuba. Because of pressure from the United States Government, Cuba is denied access to major scientific and technical databanks, since 12 of the 14 main servers of the Network of Networks are located in United States territory.

3. With the goal of denying Cuba access to foreign currency, our country is still prohibited from using United States dollars in its financial transactions and heavy sanctions are imposed on banks that deal with Cuba. Vessels which enter Cuban ports are still prohibited from entering United States ports for the next 180 days, resulting in very high freight charges for Cuban imports and preventing us from benefiting from cruise ship tourism, which is very important for the entire Caribbean region.

4. United States citizens are still not allowed to visit Cuba as tourists and this affects the convertible currency revenue much needed by our country. This measure violates the civil and political rights of United States citizens, despite the growing opposition from United States civil society and even from important sectors of the United States Congress. Meanwhile, the creation of organizations with subversive aims is still being encouraged and financed with huge sums through the United States Agency for International Development publicly and through other agencies covertly, with the aim of portraying them as a growing internal opposition.

5. Despite the attempts of the United States Government to give the impression that its policy of embargo against Cuba has been relaxed, nothing has changed.

6. For the twentieth time since 1992, the General Assembly will be considering a draft resolution requesting the Government of the United States to end the economic, commercial and financial embargo imposed by that country against Cuba. The overwhelming majority of States Members of the United Nations has expressed support for ending the embargo against Cuba, as shown by the voting, which confirms the isolation of the United States in this issue and the fallacy of the arguments used by it to maintain its position.

7. The embargo is an illegal act in breach of international law and qualifies as an international crime of genocide, as provided in the Convention for the Prevention and Punishment of the Crime of Genocide. It also disregards the purposes and principles of the Charter of the United Nations and violates the right to development of a sovereign State. It is a violation of the human rights of the people of Cuba.

8. We are convinced that on this occasion the international community, defending the basic principles which should govern international relations, will vote against this failed, illegal and inhuman policy of the United States Government of using hunger and disease to force the people of Cuba to surrender and trying to make them stop defending their right to enjoy national independence and sovereignty and to adopt the economic, political and social regime that they have freely chosen.

9. We acknowledge and are grateful for the broad and effective solidarity with our country displayed by thousands of civil society organizations throughout the world, including organizations of the people of the United States; we very much appreciate their supportive solidarity in the struggle to end the unfair and immoral policy pursued by the United States Government against our people and encourage them to continue their opposition to the genocidal embargo and to step up actions requesting the United States Government to respect the universal rejection of this policy and to end its unilateral coercive measures.



**General Assembly
Security Council**

Distr.: General
3 November 2011
English
Original: Arabic

**General Assembly
Sixty-sixth session
Agenda item 36
The situation in the Middle East**

**Security Council
Sixty-sixth year**

**Identical letters dated 27 October 2011 from the Permanent
Representative of Lebanon to the United Nations addressed to
the Secretary-General and the President of the Security Council**

On instructions from my Government, I have the honour to transmit to you herewith a statistical summary of Israeli violations of Security Council resolution 1701 (2006) committed during the month of September 2011 (see annex).

I should be grateful if you would have the present letter issued as an official document of the sixty-sixth session of the General Assembly, under agenda item 36, and of the Security Council.

(Signed) Nawaf Salam
Ambassador
Permanent Representative



Annex to the identical letters dated 27 October 2011 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

Land violations

<i>Date</i>	<i>Time</i>	<i>Nature of violation</i>
1 September 2011	0600	A number of explosions were heard as the Israeli enemy carried out manoeuvres around their positions inside the occupied Shab'a Farms.
	1000	Members of an Israeli enemy patrol directed 12.7 mm machine guns, offensive hand gestures and abuse towards personnel at the Lebanese Army Fatimah Gate observation post.
	1120	Members of an Israeli enemy patrol directed automatic weapons, obscene gestures and offensive language towards personnel at the Kafr Killa observation post.
	1315	Members of an Israeli enemy patrol directed abuse towards personnel and civilians at the Lebanese Army Fatimah Gate observation post.
	1750	Members of an Israeli enemy patrol directed 12.7 mm machine guns towards personnel at the Lebanese Army Fatimah Gate garden observation post.
2 September 2011	2050	One member of an Israeli enemy patrol directed a vehicle-mounted 12.7 mm machine gun towards personnel at the Lebanese Army observation post and civilians at the Fatimah Gate garden.
6 September 2011	0800	Opposite the Fatimah Gate, one member of an Israeli enemy patrol pointed a weapon towards a man at the Lebanese Army observation post and photographed the Lebanese Army military position and its emplacement.
7 September 2011	1130	In Kafr Killa, members of an Israeli enemy patrol directed weapons towards a citizen at the technical fence.
	1600	Members of an Israeli enemy patrol directed weapons towards a Lebanese Army patrol that was moving east of the Udaysah - Kafr Killa road. They also directed weapons towards Lebanese territory.
8 September 2011	0957	An Israeli enemy patrol directed a vehicle-mounted weapon towards personnel at the Lebanese Army Fatimah Gate observation post.
	1545	Members of an Israeli enemy patrol directed abuse and obscene and provocative language ("The rifles used in <i>bab al-hara</i> * are better than the guns you have, there will come a day when you'll be making tea for us") towards Lebanese Army observation post personnel and civilians at the Fatimah Gate. One of the enemy personnel also used his mobile telephone to take a photograph of a female Lebanese citizen.

* Translator's note: name of a popular Syrian television programme set at the beginning of the 20th century.

9 September 2011	1510	An Israeli enemy patrol photographed personnel at the Fatimah Gate garden Lebanese Army observation post.
	2155	From its Hadab post, the Israeli enemy directed a searchlight towards the Khirbat Yaron Lebanese Army post for four minutes.
13 September 2011	1020	One member of an Israeli enemy patrol directed abuse towards personnel at the Lebanese Army Fatimah Gate observation post.
	1210	Two members of an Israeli enemy patrol breached the technical fence opposite Birkat Ba'tha'il on the outskirts of Kafr Shuba, going as far as coordinates Q:147140 - N:152300 and penetrating some 50 metres into the area with regard to which Lebanon maintains a claim. At 1355 hours they left in the direction of the occupied territories.
14 September 2011	2040	An Israeli enemy patrol directed a searchlight towards the Lebanese Army Ghaba'in post for 10 minutes.
15 September 2011	1951	From its Jabal al-Tayyarat position, the Israeli enemy directed a searchlight towards the Lebanese Army 750 high site for 12 minutes.
	2015	From its Jabal al-Tayyarat position, the Israeli enemy directed a searchlight towards the Lebanese Army 750 high site for two minutes.
	2020	From its Jabal al-Tayyarat position, the Israeli enemy directed a searchlight towards the Lebanese Army 750 high site for 10 minutes.
	2040	From its Jabal al-Tayyarat position, the Israeli enemy directed a searchlight towards the Lebanese Army 750 high site for six minutes.
	2050	From its Jabal al-Tayyarat position, the Israeli enemy directed a searchlight towards the Lebanese Army 750 high site for five minutes.
20 September 2011	1320	Members of an Israeli enemy patrol directed abuse towards personnel at the Lebanese Army Fatimah Gate observation post.
21 September 2011	1620	Israeli enemy forces broke into the cellular telephone network and sent recorded messages in Arabic offering a reward of \$10 million for information about Israeli soldiers missing in Lebanon.
25 September 2011	1830	An Israeli enemy patrol photographed civilians at the Fatimah Gate garden.
27 September 2011	1040	Automatic weapons fire was heard from the Israeli enemy Radar and Birkat Naqar positions inside the occupied Shab'a Farms.

Sea violations

<i>Date</i>	<i>Time</i>	<i>Nature of violation</i>
2 September 2011	0324	An Israeli enemy military launch for 20 seconds directed a searchlight towards Lebanese territorial waters in the region of buoy No. 7.
	0545	An Israeli enemy military launch for 20 seconds directed a searchlight towards Lebanese territorial waters in the region of buoy No. 7.
3 September 2011	2345	An Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for 20 seconds.
4 September 2011	0430	An Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for 20 seconds.
	0540	An Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for 40 seconds.
21 September 2011	2030	An Israeli enemy military launch for 20 seconds directed a searchlight towards Lebanese territorial waters in the region of buoy No. 2.
	2115	An Israeli enemy military launch for 20 seconds directed a searchlight towards Lebanese territorial waters in the region of buoys Nos. 2 and 3.
22 September 2011	2205	An Israeli enemy military launch for two minutes directed a searchlight towards Lebanese territorial waters in the region of buoys Nos. 1 and 2.
	2240	An Israeli enemy military launch for two minutes directed a searchlight towards Lebanese territorial waters in the region of buoys Nos. 1 and 2.
27 September 2011	2355	An Israeli enemy military launch for 20 seconds directed a searchlight towards Lebanese territorial waters in the region of buoy No. 5.
29 September 2011	1940	An Israeli enemy military launch for 40 seconds directed a searchlight towards Lebanese territorial waters in the region of the line of buoys.

Air violations

<i>Date</i>	<i>Time</i>	<i>Nature of violation</i>
1 September 2011	0705	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1805 hours over Kafr Killa.
	2015	An Israeli enemy warplane violated Lebanese airspace, circling over the South before leaving at 2017 hours.
3 September 2011	0554	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 1420 hours.
4 September 2011	1000	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the Wazzani and Habariyah regions before leaving at 1330 hours.
	1020	Two Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1210 hours over Alma al-Sha'b.
	1035	Four Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1140 hours over Alma al-Sha'b.
	1318	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 1349 hours.
	1508	An Israeli enemy aircraft violated Lebanese airspace and circled over the South before leaving at 1542 hours.
	1753	An Israeli enemy aircraft violated Lebanese airspace and circled over the South before leaving at 1816 hours.
5 September 2011	1131	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 1731 hours.
	1135	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 1210 hours.
	2025	An Israeli enemy warplane violated Lebanese airspace and circled over the South before leaving at 2030 hours.
	2035	Three Israeli enemy aircraft violated Lebanese airspace, circling over all regions of Lebanon before leaving at 2038 hours.
	2100	An Israeli enemy warplane violated Lebanese airspace, circling over the South before leaving at 2105 hours.
6 September 2011	0745	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1815 hours over Alma al-Sha'b.

7 September 2011	0040	An Israeli enemy aircraft violated Lebanese airspace and circled over the South before leaving at 0125 hours.
	0415	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 0457 hours.
	0500	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the South and the Bekaa before leaving over Rumaysh at 0315 hours on 8 September 2011.
	0710	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South and Beirut and its suburbs before leaving at 1820 hours over Alma al-Sha'b.
8 September 2011	0700	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 1920 hours over Naqurah.
	1025	Six Israeli enemy warplanes violated Lebanese airspace, entering over Naqurah. They circled over all regions of Lebanon before leaving at 1125 hours over Alma al-Sha'b.
	1030	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea off Batrun. They circled over all regions of Lebanon before leaving at 1145 hours over Alma al-Sha'b.
	1033	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea off Jubayl. They circled over all regions of Lebanon before leaving at 1225 hours over Rumaysh.
	1400	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 2330 hours over Rumaysh.
9 September 2011	0007	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 1049 hours.
	0620	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1100 hours over Rumaysh.
10 September 2011	0005	An Israeli enemy aircraft violated Lebanese airspace, circling over the South before leaving at 0013 hours.
	0016	An Israeli enemy aircraft violated Lebanese airspace, circling over the South before leaving at 0025 hours.
	2105	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Shuba. It circled over the South before leaving over Kafr Killa at 0705 hours on 11 September 2011.

11 September 2011	0710	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving over Naqurah at 1730 hours.
	0925	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving over Alma al-Sha'b at 1520 hours.
	1005	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea to the west of Sidon. They circled over all regions of Lebanon before leaving at 1130 hours over the sea to the west of Naqurah.
	1915	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 2156 hours.
	2248	An Israeli enemy aircraft violated Lebanese airspace, circling over the South before leaving at 2333 hours.
12 September 2011	0035	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the South before leaving over Rumaysh at 0630 hours.
	0630	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Rumaysh at 1815 hours.
	0700	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving over Rumaysh at 1830 hours.
	0710	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 0530 hours on 13 September 2011 over Rumaysh.
	0720	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Alma al-Sha'b at 1900 hours.
13 September 2011	0620	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Naqurah at 1825 hours.
	0700	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Alma al-Sha'b at 1825 hours.
	0725	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving over Naqurah at 0450 hours on 14 September 2011.

14 September 2011	0505	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Rumaysh at 1800 hours.
	0710	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Aytarun. It circled over the South before leaving at 1755 hours over Rumaysh.
	0945	Four Israeli enemy warplanes violated Lebanese airspace, entering over the sea off Batrun. They circled over all regions of Lebanon before leaving at 1035 hours over the sea off Naqurah.
	1100	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1745 hours over Alma al-Sha'b.
	1305	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the Jubayl region before leaving over Naqurah at 1530 hours.
	1755	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the sea off Tyre. It circled over the sea between Sidon and Naqurah before leaving over the sea off Naqurah at 2040 hours.
	2155	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Alma al-Sha'b at 0005 hours on 15 September 2011.
15 September 2011	0315	An Israeli enemy aircraft violated Lebanese airspace, circling over the South before leaving at 0439 hours.
	0531	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 0755 hours.
	0710	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South, the Bekaa, Beirut and Juniyah before leaving at 1525 hours over Naqurah.
	1015	Four Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1155 hours over the sea off Naqurah.
	1022	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea off Tyre. They circled over all regions of Lebanon before leaving at 1115 hours over Kafr Killa.
	1130	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the Shab'a Farms. It circled over Riyaq and the Western Bekaa before leaving over Kafr Killa at 1545 hours.
	2240	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Jubayl, Beirut and the South before leaving over Rumaysh at 1300 hours on 16 September 2011.

16 September 2011	1055	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over Marun al-Ra's before leaving at 1105 hours.
	1105	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1830 hours over Alma al-Sha'b.
17 September 2011	0605	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 1640 hours over Naqurah.
	0605	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 1835 hours.
	0645	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1755 hours over Alma al-Sha'b.
18 September 2011	0745	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1500 hours over Alma al-Sha'b.
	1935	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the sea off Naqurah. It circled over the sea between Sidon and Naqurah before leaving at 2145 hours over the sea off Naqurah.
	2020	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Yarun. It circled over the Western Bekaa and the South before leaving at 2330 hours over Aytarun.
19 September 2011	0715	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 1630 hours over Naqurah.
	1715	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 1806 hours.
	1900	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 2030 hours.
	2025	An Israeli enemy warplane violated Lebanese airspace, circling over Lebanese territorial waters and dropping a heat balloon between buoys Nos. 4 and 5.

20 September 2011	0054	An Israeli enemy aircraft violated Lebanese airspace and circled over the South before leaving at 1038 hours.
	0504	An Israeli enemy aircraft violated Lebanese airspace and circled over the South before leaving at 1558 hours.
	0615	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 2030 hours over Rumaysh.
	1113	An Israeli enemy warplane violated Lebanese airspace, circling over the South before leaving at 1115 hours.
	1727	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 2215 hours.
	1925	An Israeli enemy warplane violated Lebanese airspace, circling over the South before leaving at 1928 hours.
	1930	An Israeli enemy warplane violated Lebanese airspace, circling over the South before leaving at 1933 hours.
21 September 2011	0115	An Israeli enemy aircraft violated Lebanese airspace and circled over the South before leaving at 0125 hours.
	0620	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1900 hours over Naqurah.
	1035	Two Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1210 hours over Alma al-Sha'b.
	1100	Four Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1220 hours over Naqurah.
	1230	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the Western Bekaa, Riyaq and Baalbek before leaving over Rumaysh at 1645 hours.
	2240	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the occupied Shab'a Farms. It circled over the Western Bekaa before leaving over the occupied Shab'a Farms at 0535 hours on 22 September 2011.

22 September 2011	0600	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Alma al-Sha'b at 1520 hours.
	0700	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving over Alma al-Sha'b at 1520 hours.
	1017	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 1710 hours.
	1210	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 1749 hours.
	1220	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1440 hours over Naqurah.
25 September 2011	1100	An Israeli enemy warplane violated Lebanese airspace, circling over Bint Jubayl before leaving at 1110 hours.
	1125	An Israeli enemy warplane violated Lebanese airspace, circling over Bint Jubayl before leaving at 1130 hours.
	1128	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 1509 hours.
	1140	An Israeli enemy warplane violated Lebanese airspace, circling over Bint Jubayl before leaving at 1145 hours.
	1550	An Israeli enemy warplane violated Lebanese airspace, circling over Bint Jubayl before leaving at 1730 hours.
	2004	An Israeli enemy aircraft violated Lebanese airspace, circling over the South before leaving at 2212 hours.
	2020	An Israeli enemy warplane violated Lebanese airspace, circling over Bint Jubayl before leaving at 2056 hours.
26 September 2011	0740	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, circling over the South before leaving at 0755 hours.
	1005	An Israeli enemy warplane violated Lebanese airspace, circling over Bint Jubayl before leaving at 1010 hours.
	1040	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over the sea off Naqurah at 1600 hours.

27 September 2011	0555	An Israeli enemy reconnaissance aircraft violated Lebanese airspace and circled over the South before leaving at 1001 hours.
	0720	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Yarun. It circled over the South before leaving over Alma al-Sha'b at 1835 hours.
	0725	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving over Naqurah at 1125 hours.
	0732	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Aytarun. It circled over the South before leaving over Alma al-Sha'b at 2220 hours.
	1110	Eight Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1225 hours over Alma al-Sha'b.
	1238	Two Israeli enemy warplanes violated Lebanese airspace, entering over Rumaysh. They circled over all regions of Lebanon before leaving at 1400 hours over the sea off Naqurah.
	1600	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South and the Western Bekaa before leaving over Alma al-Sha'b at 0620 hours on 28 September 2011.
	2000	An Israeli enemy warplane violated Lebanese airspace, circling over the South before leaving at 2005 hours.
28 September 2011	0620	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1835 hours over Alma al-Sha'b.
29 September 2011	1000	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Riyaq, Baalbek, the South and the Shuf before leaving over Naqurah at 1500 hours.
	1035	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving over Rumaysh at 2250 hours.
30 September 2011	1050	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1515 hours over Alma al-Sha'b.

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**Financial reports and audited financial statements, and
reports of the Board of Auditors**

Proposed programme budget for the biennium 2012-2013

**Fourth progress report of the Secretary-General on the
adoption of the International Public Sector Accounting
Standards by the United Nations and report of the Board
of Auditors**

**Report of the Advisory Committee on Administrative and
Budgetary Questions**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the fourth progress report of the Secretary-General on the adoption of the International Public Sector Accounting Standards (IPSAS) by the United Nations (A/66/379). The Committee also received a copy of the report of the Board of Auditors on progress in the implementation of the International Public Sector Accounting Standards (see A/66/151). During its consideration of these reports, the Committee met separately with representatives of the Secretary-General and the members of the Audit Operations Committee of the Board of Auditors, who provided additional information and clarification.

2. A total of 23 organizations of the United Nations system will transition to the International Public Sector Accounting Standards for the presentation of their financial statements. Annex I to the Secretary-General's report provides an update on the implementation target of each organization (see also A/66/151, annex I). As indicated, the World Food Programme (WFP) was the first United Nations organization to transition to IPSAS in 2008. During the reporting period, eight additional organizations produced their first IPSAS-compliant financial statements in 2010. A further two organizations plan to transition to IPSAS in 2011, nine in 2012, one in 2013 and the remaining two in 2014, including the United Nations. From footnote (b) to annex I to the report of the Board of Auditors, the Advisory Committee notes that the United Nations Joint Staff Pension Fund, currently targeting its transition in 2012, is tentatively planning to move its implementation of IPSAS to a period that coincides with that of the United Nations.

I. Fourth progress report of the Secretary-General on the adoption of IPSAS

3. The Secretary-General's report (A/66/379) reviews progress in IPSAS implementation throughout the United Nations system during the period from 1 August 2010 to 31 August 2011. It is presented in two parts, the first of which addresses the activities of the system-wide IPSAS project team and progress made by the organizations of the United Nations system. The second part focuses on adoption of IPSAS at the United Nations Secretariat. Background information on the project is provided in paragraphs 1 to 7 of the report.

A. United Nations system-wide IPSAS adoption activities

4. The Secretary-General's report provides information on the activities, governance and budget of the system-wide project team of the United Nations System Chief Executives Board for Coordination, the development of IPSAS-compliant accounting policies and guidance, the lessons learned as well as the cross-cutting issues, challenges and risks faced by the implementing organizations. The Advisory Committee notes that the role of the system-wide team has been extended until the end of 2013, and that an independent review of system-wide IPSAS-related activities will also be conducted before the end of 2013, with a reassessment of the way forward beyond 2013 (A/66/379, para. 8). **The Committee looks forward to receiving information on the outcome of the review in the Secretary-General's next progress report.**

5. As indicated above, the key development during the reporting period was the transition to IPSAS of eight additional organizations which produced their first IPSAS-compliant financial statements for 2010. The Advisory Committee notes that seven entities received an unqualified opinion from their respective external auditors and the statements of the eighth entity are expected to be finalized by the end of the year. The Secretary-General states that the remaining entities are on track for implementation within their respective timelines (*ibid.*, para. 4).

6. With regard to IPSAS-compliant accounting policies and guidance (*ibid.*, paras. 11-16), the Secretary-General indicates that the system-wide team focused on maintaining the policy platform established in 2007 and in providing further guidance with respect to specific IPSAS requirements. The team updated guidance on the use of the United Nations operational rate of exchange, as well as five system-wide papers to reflect new standards on intangible assets and financial instruments. It continued to monitor the activities of the IPSAS Board, assess the impact of new or amended standards and pronouncements on United Nations system organizations, and prepare submissions on behalf of the Task Force on Accounting Standards of the High-level Committee on Management. The team also attended the quarterly IPSAS Board meetings and provided support to the thematic working groups and working focus groups formed to address issues, and develop guidance and practical approaches to IPSAS implementation in a wide range of issues in such areas as employee benefits, valuation of inventories and budget reporting under IPSAS. The Advisory Committee was informed that a total of 63 papers had been presented and accepted by the Task Force as policy/guidance material to support consistent application of IPSAS throughout the United Nations system. In addition,

a report on the comparison of United Nations system IPSAS-compliant financial statements for the year ended 31 December 2010 was presented at the meeting of the Task Force held in September 2011.

7. The Advisory Committee notes that the system-wide team developed a framework to guide implementing entities in their interactions with the external auditors. The framework incorporated lessons learned from WFP, the first successful IPSAS adopter (*ibid.*, para. 19). With regard to training, the Committee notes that training aids for five of the seven computer-based courses for IPSAS training¹ were translated into French and Spanish by the United Nations Children's Fund and that the United Nations Development Programme has translated the first computer-based course "Orientation to IPSAS" into French and Spanish; the translated training products were shared with the United Nations system organizations (*ibid.*, para. 21).

8. The Secretary-General provides information on the management of accounting diversity among the United Nations system organizations (*ibid.*, paras. 15-16). He indicates that a survey conducted to gather information on the application of accounting policies by the participating organizations showed a high level of consistency in the application of accounting policies approved by the Task Force, but wider differences in the interpretation of IPSAS standards on which the Task Force had only provided guidance. The Advisory Committee notes that issue papers are being developed to provide guidance in the areas in which differences in interpretation were identified, and that additional work is under way to identify further diversity. **The Advisory Committee recognizes the need to manage accounting diversity among organizations arising from differences in regulatory frameworks, institutional arrangements, implementation mandates and modalities, business models and alternatives allowed by the IPSAS standards. It also emphasizes the importance of ensuring consistency in the interpretation and application of IPSAS as well as of improving the comparability of the financial statements of the various entities of the United Nations system.**

9. The cross-cutting challenges and risks faced by the entities having already implemented IPSAS are outlined in the report (*ibid.*, paras. 27-30). As indicated, these are closely monitored and reported on by the system-wide Task Force. The Advisory Committee notes, for example, the difficulties experienced in obtaining information on complying with IPSAS requirements, addressing the volume and complexity of accounting transactions under IPSAS, and ensuring that field operations were fully aware of their responsibilities, as well as in recruiting staff with IPSAS expertise. The Committee also notes the challenges faced during the closure process, and the difficulties arising from the lack of full understanding and application of the accrual method of accounting.

10. The Secretary-General enumerates the key lessons learned by the entities having implemented IPSAS in 2010 (*ibid.*, para. 31). The Committee notes in particular the importance given to the involvement of the external auditors, the early identification of and agreement on accounting policies, the benefits of dry runs in resolving issues prior to the issuance of the financial statements, and the need for coordination with the enterprise resource planning project. Some information on the dividends of IPSAS identified by the United Nations system implementers is

¹ Developed in 2009 by the United Nations IPSAS team for use by all implementing entities.

provided (ibid., para. 32). For example, the implementing entities were able to enhance accountability and transparency through improved financial reporting on assets, liabilities, revenues and expenses, as well as improved controls and processes. They also indicated that the implementation of IPSAS had allowed improvements in the accounting and financial management skills of their staff and better informed decision-making on technical and accounting issues. The Advisory Committee was informed that the pool of IPSAS expertise within the United Nations system had expanded rapidly with the addition of eight new implementing entities and the upcoming transition of 11 more organizations. The focus of attention was now shifting towards post-implementation activities, including the realization of benefits as recommended by the Board of Auditors.

11. The Advisory Committee recognizes the progress made thus far by the organizations of the United Nations system towards the preparation of the implementation of IPSAS. It notes the information provided on the challenges faced, as well as the lessons learned and benefits realized by the organizations having implemented IPSAS in 2010. The Committee encourages the Secretary-General to continue to gather, analyse and disseminate such information, as well as to draw upon the experiences of the early implementers to further refine the implementation plans and strategies of the organizations that have yet to transition to IPSAS.

B. Adoption of IPSAS at the United Nations

12. Information on the IPSAS implementation project at the United Nations is provided in the Secretary-General's report (A/66/379, paras. 33-80). The topics covered include project governance and oversight, the accounting policy framework, implementation and change management activities, as well as the deployment of the enterprise resource planning project, Umoja. An update on the status of expenditure as at 31 August 2011 is provided in a table (ibid., paragraph 79). As indicated in paragraph 70 of the report, IPSAS implementation is critically dependent on the timely implementation of Umoja. The delay in the implementation of Umoja was therefore a key factor affecting the United Nations IPSAS project during the reporting period (see also para. 28 below; A/66/151, paras. 34-37; and A/66/7, paras. VIII.7-VIII.9).

13. The Secretary-General's third progress report on the implementation of the enterprise resource planning project (A/66/381), issued on 27 September 2011, provides information on the status of the project and proposes a revised approach for implementation of the enterprise resource planning project in phases. The first phase, referred to as Umoja Foundation, will support IPSAS requirements and include functions for financial management and administrative controls; certain central support services such as sales and distribution, travel management and real estate management; and supply chain procurement logistics. Umoja Foundation is planned to be piloted in January 2013 and deployed in clusters across the Organization by December 2014. The second phase, Umoja Extension, is planned to be deployed by December 2015, and will provide the remaining functions such as human resources management and budget formulation. The Secretary-General indicated that the Management Committee has increased its monitoring of project progress, especially with regard to the interdependencies between Umoja and IPSAS

implementation. The Committee comments on these proposals in its related report (A/66/7/Add.1).

14. The Secretary-General states that the revised approach for Umoja implementation would allow transition to IPSAS in 2014 as approved by the General Assembly. Annex II to the Secretary-General's report (A/66/379) shows the major milestones in United Nations IPSAS implementation. The Advisory Committee notes that the first set of IPSAS-compliant financial statements for the period ending June 2014 for peacekeeping operations, and December 2014 for other United Nations Secretariat operations, must be delivered by 30 September 2014 and 31 March 2015, respectively. This implies that opening balances under IPSAS must be ready as at 1 July 2013 for peacekeeping operations and 1 January 2014 for the rest of the Secretariat. Dry-run IPSAS-compliant financial statements, with real accounting data, are scheduled for December 2013 for peacekeeping operations and June 2014 for other Secretariat operations (*ibid.*, para. 72).

15. The Secretary-General states (*ibid.*, para. 74) that in order to address possible delays in the deployment of Umoja Foundation, contingency plans are being reviewed to produce the first IPSAS-compliant financial statements by the target dates using a combination of Umoja, existing information systems and workaround solutions. The Advisory Committee notes that the contingency plans envisaged include (a) using Galileo as an interim staging area for IPSAS-compliant property, plant and equipment, and inventory data in peacekeeping and special political missions; (b) leveraging an existing Department of Field Support system as a solution for automating notes disclosures which represent a significant part of the IPSAS-compliant financial statements; (c) continuing to use, temporarily and with some workarounds, some of the information systems which are currently used for asset management in Secretariat offices other than peacekeeping and special political missions; and (d) adapting a combination of manual and semi-automated processes to existing systems, Sun Accounts and the Integrated Management Information System (IMIS), to record fiscal period end expenditure based on the new principle of delivery of goods and services under IPSAS. The Secretary-General further states that, while utilization of existing systems and workaround solutions might support requirements for organization-wide IPSAS-compliance for a limited period of time to deal with possible delays in the deployment of Umoja, the temporary solutions envisaged are not sustainable, even in the medium term, owing to the complexity and volume of the work involved (*ibid.*, para. 75).

16. The Advisory Committee recognizes the need to plan for contingencies as recommended by the Board of Auditors. It also notes the strengthened measures put into place for managing risks outlined in paragraph 35 of the Secretary-General's report (see also para. 19 below). The Committee remains concerned, however, by the extent of the manual workarounds and temporary adaptations to existing systems envisaged, which will not be required beyond the initial implementation of IPSAS, and by the unsustainable nature of these solutions. The Committee is of the view that the approach envisaged presents risks that significant resources may be devoted to implementing temporary solutions that may not be sufficiently robust to ensure successful implementation, while at the same time taking vital resources away from the implementation of Umoja, thereby compounding risks of further delays in the delivery of the first phase (Umoja Foundation), cost escalation and unproductive use of resources.

17. To mitigate these risks, the Advisory Committee recommends that the Secretary-General be requested to exercise strict oversight over the implementation of the IPSAS project, ensure prudent stewardship of project resources, and establish clear lines of reporting and effective mechanisms for the rapid resolution of issues on a day-to-day basis. He should also be requested to closely monitor all developments and take prompt corrective action so as to contain costs, avoid further delays and ensure that a viable solution is put in place. The Advisory Committee further emphasizes the need for coordination of all project activities as well as full cooperation and collaboration among the numerous actors involved in the project.

18. With regard to the activities of the project team during the reporting period, the Secretary-General states that significant progress was achieved in finalizing the framework of IPSAS-compliant accounting policies that was an essential foundation for the design and implementation of Umoja. The Advisory Committee notes that all 31 IPSAS standards have been analysed and policies specific to the requirements of the United Nations have been developed in most areas. The Committee also notes that proposals for revised financial regulations and rules will be submitted to the General Assembly for approval at its sixty-seventh session (A/66/379, para. 44).

19. The Secretary-General states that the focus of implementation has shifted from policy development to implementation planning and execution and risk management (*ibid.*, para. 34). In addition to delays in Umoja deployment, the key risks to IPSAS implementation identified by the Secretary-General include (a) inaccurate opening balances of assets; (b) inaccurate and incomplete recording of assets; and (c) change management challenges. The status of preparedness of the Organization and the actions being taken to facilitate the determination of accurate opening balances are described (*ibid.*, paras. 46-51). The Advisory Committee notes that existing systems, such as Galileo for peacekeeping operations, and other feasible workaround solutions will be used until Umoja becomes available for recording and updating the balances (see para. 15 above). Preparatory activities under way include codification of non-expendable property and development of instructions to facilitate classification of assets and ensure the completeness, accuracy and reliability of asset accounting records. The Committee also notes that, as part of risk mitigation efforts, collaboration has been initiated with the Office of Internal Oversight Services to secure its support in identifying potential issues, and that the Board of Auditors will continue to be involved, including during the review of dry run financial statements. The Committee further notes that the IPSAS Steering Committee has increasingly focused on identifying and managing risks to timely implementation rather than on policy formulation, and that the Management Committee has also intensified its oversight of the progress of the Umoja and IPSAS projects, owing to the critical dependence of the IPSAS project on the timely implementation of Umoja (see A/66/379, para 35). **The Advisory Committee recognizes the progress made thus far towards IPSAS implementation by the United Nations and notes the efforts aimed at strengthening oversight, enhancing risk management and engaging with oversight bodies.**

20. The Secretary-General indicates that change management activities, including communication and training, have been strengthened in order to promote understanding of forthcoming changes and ensure effective transformation at all levels throughout the Organization. The change management activities are described in the report (*ibid.*, paras. 52-69). The Advisory Committee notes that the IPSAS

training plan envisages a two-pronged approach, comprising awareness and instructor-led training. It was informed that a third component, Umoja training, will complement and support IPSAS training, providing an operational "hands on" focus to the recording of IPSAS-based transactions.

21. As indicated in the Secretary-General's report (ibid., para. 60), computer-based training is offered online and aims to raise awareness and provide a range of IPSAS concepts in the areas of accounting for property, plant and equipment, inventory, employee benefits, leases and provisions, and contingent liabilities and contingent assets. Instructor-led training courses consist of intermediate and advanced levels, and are designed to further develop conceptual understanding of IPSAS principles and requirements, and to examine their impact on work processes and financial statements. The Committee was informed that intermediate-level instructor-led courses focused on preparing staff for pre-implementation tasks such as the determination of requirements for opening balances had started, covering topics such as accrual accounting, property, plant and equipment, inventories, leases and intangible assets. The Secretary-General indicated that the instructor-led training, which will be supported by a "train-the-trainer" programme, was intended for approximately 1,200 staff in the areas of facilities management, property management, information technology, human resources management, resource mobilization and finance. Advanced training was destined exclusively for finance staff contributing directly to the preparation of financial statements or requiring in-depth understanding of the statements; the Secretary-General further indicated that some 500 staff would require such in-depth training. The Committee was also informed that nominations for the identification of candidates to be trained, based on established criteria, were under way. **The Advisory Committee notes the emphasis placed by the early implementers on training as part of the readiness for IPSAS implementation. It stresses the importance of benefiting from the experience and guidance of the early implementers, and to ensure adequate preparedness of the United Nations for its transition to IPSAS.**

22. The Advisory Committee notes that the introduction of full accrual accounting will have a significant impact on business processes and culture, and lead to management improvements in some areas. For example, with the introduction of the IPSAS requirement to recognize expenditure upon delivery of goods and services rather than on the basis of obligations, the receipt and inspection function will become an integral part of the accounting process and permit more timely and accurate recording of expenses. The new procedures will affect business processes related to the receipt and inspection function, as well as the programme management functions, by highlighting variances between budget performance and financial statements. Programme managers will therefore have to manage their resources more proactively. In response to the Committee's query, the Secretary-General indicated that the information required for managers to support improved operations and decision-making would be provided through the enterprise resource planning project and its enhanced managerial reporting and accounting capabilities, and furthermore that such managerial accounting was a key requirement for the realization of the benefits of IPSAS discussed by the Board of Auditors. **The Advisory Committee shares the Board's view that achievement of unmodified audit opinions alone will not signal successful IPSAS implementation, but that the benefits to improved decision-making and more cost-effective delivery of programmes and services are equally as important (see A/66/151, summary and**

paras. 10-33). It expects the Secretary-General to develop a benefits realization plan as recommended by the Board of Auditors, and encourages him to actively pursue efforts to develop a business culture focused on improved performance and effectiveness as the Organization prepares for its transition to IPSAS.

23. In his report the Secretary-General states that IPSAS allows transitional provisions for certain standards, in order to provide additional time to gradually meet the full requirements of those specific standards after transitioning to IPSAS (A/66/379, para. 40). He indicates that, as part of its risk mitigation strategy, the United Nations decided to selectively invoke transitional provisions for the opening balances of assets in order to address any unexpected issues that could be encountered in gathering data. The Advisory Committee notes that transitional provisions in the following areas have been incorporated into the United Nations IPSAS policy framework:

(a) The recognition of property, plant and equipment items, for which a period of up to five years is allowed under IPSAS; while aiming to complete recognition of these items on time for the opening balances, the Organization has proposed to invoke transitional provisions for the recognition of project assets, self-constructed assets and capital improvements to leasehold assets;

(b) Intangible assets, which may be recognized prospectively after transitioning to IPSAS, that have not been maintained under the United Nations system accounting standards;

(c) Comparative information for the previous year, which will not be provided in the first IPSAS-compliant financial statements, as approved in 2007 by the Task Force on Accounting Standards of the High-level Committee on Management.

While recognizing the need to selectively invoke transitional provisions for certain standards in order to mitigate risks, the Advisory Committee trusts that every effort will be made to reflect property, plant and equipment items on time in the opening balances.

24. From the report of the Secretary-General (A/66/379, paras. 76-77) the Advisory Committee notes that, to further reduce risks arising from the complexity and scale of final IPSAS implementation, the United Nations has adopted a progressive implementation strategy and is gradually incorporating individual standards into financial statements in successive fiscal cycles before full IPSAS implementation. The Organization is focusing initially on IPSAS requirements which do not require enhancements to existing information systems, such as disclosures of new information. The list of standards that have already been incorporated is provided in the report (*ibid.*, para. 77). **The Advisory Committee notes the approach taken and encourages the Secretary-General to pursue such efforts.**

II. Report of the Board of Auditors on progress in the implementation of IPSAS

25. The Board of Auditors conducted its first annual audit of IPSAS implementation pursuant to General Assembly resolution 65/243, in which the

Assembly endorsed the observations and recommendations of the Advisory Committee (see A/65/498). The report covers the entities audited by the United Nations Board of Auditors, as shown in annex I to the Board's report. The Board discusses separately IPSAS implementation at the United Nations,² the funds and programmes and other entities,³ and the United Nations Joint Staff Pension Fund. The report of the Board of Auditors provides a summary of the progress achieved to date by each entity, the key risks to the successful delivery of the full benefits of IPSAS, and the actions required to address those risks. The Board indicates that its observations and conclusions were discussed with the respective administrations of each entity, whose views have been reflected in its report (see A/66/151, para. 9).

26. The Board reviewed the progress of each entity against the implementation deadline and assessed IPSAS implementation in several areas. In particular, the Board sought to determine whether the entity in question had established the following:

- (a) A detailed implementation plan;
- (b) Effective governance and implementation arrangements;
- (c) Plans for data collection, cleansing and migration for IPSAS implementation;
- (d) Model draft financial statements and plans for sharing them with the Board;
- (e) Plans for establishing opening balances and preparing dry run financial statements with real accounting data in the year prior to IPSAS implementation;
- (f) A fit-for-purpose enterprise resource planning system to address the increased requirements for data on accounting transactions under IPSAS;
- (g) An effective benefits realization plan;
- (h) An effective business change management programme.

The table provided in the summary of the Board's report presents an overview of the progress of each entity in these areas.

27. With regard to the funds and programmes and other entities which are planning to transition to IPSAS in 2012,³ the Board was of the view that implementation on target was possible, but that there were key tasks to be completed in some entities and significant risks to be mitigated if IPSAS was to be implemented on time. Key areas of concern included (a) potential delays in the finalization of accounting policies and migration of data; (b) challenging timetables for dry runs leaving inadequate time for review and correction; and (c) lack of fully resourced and expert implementation teams in most organizations. The Board recommended, inter alia, that all entities, including the United Nations, (a) prepare model financial statements and produce clear plans for a dry run set of accounts with real accounting data,

² Comprising the United Nations Secretariat and peacekeeping operations.

³ United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), United Nations Office for Project Services (UNOPS), Office of the United Nations High Commissioner for Refugees (UNHCR) and United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). UN-Women will adopt IPSAS in keeping with the schedule of UNDP.

factoring in sufficient time for review by the Board; (b) establish fully resourced and expert IPSAS implementation teams; and (c) establish a clear plan for data collection, cleansing and migration for IPSAS implementation. Annex III to the Board's report provides examples of accounting data required to support IPSAS-compliant financial statements.

28. The Board's findings and recommendations on the United Nations² are set out in its report (A/66/151, paras. 34-66). The Advisory Committee notes that, at the time of the Board's examination, the implementation of the enterprise resource planning project for the United Nations (Umoja) was being reassessed to see whether it could be refocused on the delivery of the elements needed to support IPSAS implementation on target for 2014 (see A/66/151, paras. 34-39; and A/66/7, paras. VIII.9-VIII.10). The Board considered that IPSAS adoption at the United Nations presented a particularly high risk owing to the uncertainties over the implementation of Umoja, as well as the scale, the number and the complexity of the entities involved, including peacekeeping operations. The Board indicated that it could not provide any firm assurance that the United Nations was on track to deliver IPSAS adoption by 2014 until a decision had been made on Umoja, and a clear overarching implementation plan had been established. While recognizing the logic in prioritizing the parts of Umoja that support IPSAS, the Board noted that other elements of Umoja would by necessity be delayed, thereby creating risks to business transformation in other priority areas and potentially delaying, or even reducing, the full delivery of the intended benefits from Umoja. The Board recommended that the United Nations fully examine all of the potential interdependencies, risks, costs and benefits of a phased implementation of Umoja and IPSAS, and also assess the feasibility of combining the business change activities for Umoja and IPSAS. It further recommended, *inter alia*, that the Secretariat prepare a practical and detailed implementation plan as soon as possible after a decision had been made on the revised Umoja implementation strategy, including contingency plans should the implementation of Umoja as scheduled prove impossible, as well as an effective risk framework (see also para. 27 above). In this connection, the Advisory Committee notes that the Secretary-General's fourth progress report on IPSAS implementation, issued in September 2011, provides information on the revised approach for the implementation of Umoja (see paras. 12-24 above).

29. The Board considered the benefits that the adoption of IPSAS would confer on the entities involved (United Nations Secretariat and peacekeeping operations, funds and programmes and entities), and how the realization of those benefits was being managed, including whether the associated business change management disciplines were in place or being established (A/66/151, paras. 10-33). While recognizing that the full benefits of IPSAS and accrual accounting would be realized over time, the Board emphasized the importance of ensuring that all staff understood the new information that would be available to them and how it could be used to support improved decision-making and management in areas such as performance measurement, activity costing, investment appraisal, cost-effectiveness of operations and accountability. The Board also stressed that a major cultural change and engagement of staff and management would be required to realize full benefits over time. It noted that plans to realize these benefits were absent in nearly all entities and that appropriate change management arrangements were not yet in place to achieve the necessary transformations. The Board recommended that all entities

establish IPSAS benefits realization plans and organization-wide change management programmes to ensure delivery of all the intended benefits of IPSAS.

30. The Board discussed the implications of the issuance of financial reports on an annual basis for the schedule of the work of various stakeholders, including the Fifth Committee of the General Assembly, the Advisory Committee and the Board itself (*ibid.*, paras. 31-33). It noted that discussions were under way on the potential scenarios, options and solutions for consideration by the General Assembly, and highlighted the pressing need to resolve this matter. The Advisory Committee notes that the Secretary-General intends to present proposals in this regard in the next IPSAS progress report, after broad consultation (see A/66/379, para. 43).

31. The Advisory Committee welcomes the first report of the Board of Auditors on progress in the implementation of IPSAS. In the Committee's view, the Board's report provides the General Assembly with valuable information on key issues and the status of IPSAS implementation at the United Nations,² and the funds and programmes and other entities.³ The Committee considers that the Board has an important role to play in providing advice and guidance to the implementing entities. It also believes that close collaboration between the Board of Auditors and the concerned entities must be sustained throughout the implementation process in order to ensure successful transitions to IPSAS, and encourages continued active engagement on all outstanding matters. The Committee recommends that all entities be requested to expedite full implementation of the recommendations issued by the Board.

III. Conclusion and recommendation

32. The actions requested of the General Assembly in relation to the fourth progress report of the Secretary-General on the adoption of the International Public Sector Accounting Standards by the United Nations are set out in the report (A/66/379, para. 81).

33. Taking into account the views and recommendations expressed in the present report and issues raised by the Board of Auditors, the Advisory Committee recommends that the General Assembly take note of the progress made since the issuance of the third annual progress report and that the Secretary-General be requested to continue reporting on the status of the system-wide and United Nations IPSAS implementation projects. The Committee further recommends that the General Assembly take note of the Secretary-General's plan to present proposals for the amendments to the Financial Regulations and Rules at the main part of the sixty-seventh session of the Assembly.